

Proceeding: In the matter of 1998 Biennial Regulatory Review - Review of International Com Record 1 of 1

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**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
1998 Biennial Regulatory Review—	)	IB Docket No. 98-118
Review of International Common	)	
Carrier Regulations	)	

**COMMENTS OF BELL ATLANTIC<sup>1</sup>**

**I. Introduction and Summary**

Bell Atlantic supports the Commission's proposal to grant a blanket section 214 authorization for the provision of international telecommunications services on unaffiliated routes. NPRM ¶ 8. The Commission should expand the blanket authorization to include affiliated routes where the carrier obtaining section 214 authorization is non-dominant and the foreign affiliate has been found to lack market power in the destination market. Today, section 214 applications to provide international telecommunications services on such routes are eligible for streamlined processing, and there is no reason they should not also be subject to a blanket authorization.

Where a U.S. carrier is otherwise eligible for streamlined treatment of section 214 applications -- or for a blanket authorization under the Commission's proposed rules -- it is duplicative, unnecessarily burdensome and contrary to the intention of 47 U.S.C. § 161

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<sup>1</sup> These comments are filed on behalf of Bell Atlantic Communications, Inc. ("BACI") and NYNEX Long Distance Company ("NLD") who are U.S. certified international carriers that provide service outside the territories served by their local exchange carrier affiliates.

to deny such treatment based on the fact that the carrier must obtain authorization to provide in-region long distance service pursuant to section 271.

Bell Atlantic also supports the Commission's proposals to eliminate the need to file section 214 applications for pro forma assignments of control, NPRM ¶¶ 13-17, and to allow a carrier with section 214 authorization to provide service through its wholly-owned subsidiaries. NPRM ¶ 22. These changes will enable carriers to organize and operate in the way that makes the most sense from a business, rather than regulatory, perspective, thereby enhancing competition.

**II. The Commission Should Adopt its Proposal to Grant a Blanket Section 214 Authorization, with the Modification Discussed Below, and Should Make Clear That it Applies to all Carriers Eligible for Streamlined Processing.**

The Commission's proposal to grant a blanket section 214 authorization for the provision of international telecommunications services on unaffiliated routes makes sense and should reduce the regulatory burden on carriers seeking to enter the international telecommunications market. That, in turn, will facilitate competition for international telecommunications services, which will benefit consumers. The benefits of competition include lower prices, increased availability and a wider variety of service options and packages, and more efficient use of existing international facilities.

The Commission can do even more to facilitate competition by expanding the blanket authorization to include affiliated routes where the U.S. carrier is non-dominant and the Commission has found that the foreign affiliate lacks market power in the destination market. Including such routes in the blanket authorization will encourage new entrants in the international telecommunications market to offer services and products in competition with established, incumbent carriers. Since neither the U.S. carrier nor the

foreign affiliate in these circumstances is a dominant provider of international telecommunications in its home market, there should be no competitive concerns, and including such routes in the blanket authorization will expand the competitive choices available to consumers. In addition, because the “public interest” does not require application of section 214 application requirements to affiliated routes where the U.S. carrier is non-dominant and the Commission has found the foreign affiliate lacks market power, the regulation must be repealed. *See* 47 U.S.C. § 161.

Similarly, where a carrier is eligible to use the proposed blanket authorization -- or streamlined processing, under the Commission’s current rules -- such treatment should not be denied solely because the U.S. carrier must also obtain authorization pursuant to section 271 to provide long distance services. To deny blanket authorization or streamlined processing is unduly burdensome and contrary to the goal behind the Telecommunications Act of 1996.<sup>2</sup>

Bell Atlantic is already subject to this unfair burden. In December 1997, BACI and NLD filed section 214 applications for global facilities-based and resale authority to provide international telecommunications services. BACI and NLD are classified as non-dominant for the provision of both in-region and out-of-region long distance services,<sup>3</sup>

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<sup>2</sup> The Commission has recognized the appropriateness of eliminating duplicative applications in this proceeding. The Commission has proposed to eliminate the requirement that common carriers which obtain a cable landing license under section 1.767 of the Commission’s rules must also obtain a separate section 214 authorization to construct new lines. NPRM ¶¶ 29-33. It is similarly duplicative to deny streamlined processing or a blanket authorization to a carrier whose provision of in-region long distance service the Commission has already found to be in the public interest.

<sup>3</sup> Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC’s Local Exchange Area and Policy and Rules Concerning the Interstate, Interexchange Marketplace, 12 FCC Rcd 15756 (1997); Bell Atlantic Communications,

and the Commission has already determined that their foreign affiliates do not have the ability to discriminate against unaffiliated carriers through control of bottleneck services or facilities. Only two parties filed oppositions to BACI and NLD's applications, and both opponents focused solely on the need for Bell Atlantic to obtain section 271 authority to provide in-region long distance service – a subject which the Commission had expressly stated should not be addressed. In these circumstances there is no justifiable reason to deny streamlined processing or a blanket authorization to BACI and NLD.

III. The Commission Should Adopt its Proposals to Eliminate Section 214 Applications for Pro Forma Assignments and to Allow a Carrier With Authorization to Provide Service Through Wholly-Owned Subsidiaries.

The Commission's proposal to eliminate the requirement for international section 214 authorization to accomplish pro forma assignments and transfers of control, NPRM ¶¶ 12-17, makes sense. Where there is no change in actual control of a carrier, there is no reason why regulatory requirements should preclude the carrier from operating under the structure that makes the most sense from a business perspective.

Similarly, the Commission's proposal to allow a carrier that has obtained section 214 authorization to provide service through its wholly-owned subsidiaries also should be adopted. NPRM ¶ 22. These proposals will eliminate unnecessary and essentially

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Inc. Application for Global Authority to Provide Facilities-based Switched, Private Line, and Data Services between the United States and International Points, 12 FCC Rcd 1880 (1997); NYNEX Long Distance Company Application for Authority to Provide International Services from Certain Points Within the United States to Gibraltar through the Resale of International Switched Services, 12 FCC Rcd 24219 (1997); NYNEX Long Distance Co. Application for Authority to Provide International Services from Certain Parts of the United States to International Points through the Resale of International Switched Services, 11 FCC Rcd 8685 (1996).

duplicative section 214 applications. By allowing carriers to operate in the most efficient and sensible manner, these proposals should enhance competition in the market for international telecommunications services.

#### Conclusion

The Commission should adopt its proposal to grant a blanket section 214 authorization, with the modification described above, and should make clear that it applies to all eligible carriers. The Commission also should adopt its proposals to eliminate section 214 applications for pro forma assignments and transfers of control, and to allow an authorized carrier to provide service through wholly-owned subsidiaries. All of these changes will enhance competition in the market for international telecommunications services, and will therefore benefit consumers.

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Respectfully submitted,

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